



Retail Energy Supply Association

Testimony for House Bill 5542

Submitted to the Energy and Technology Committee

March 20, 2012

Good Morning Members of the Energy and Technology Committee,

The Retail Energy Supply Association (“RESA”) submits this testimony in support of a recommended amendment to House Bill 5542 (An Act Concerning Consumer Protection For Utility Customers). RESA, a trade association of 21 competitive energy suppliers¹, many of whom are or are affiliates of Fortune 500 and Fortune Global 500 companies, is committed to the development of a robust, vibrant and sustainable energy market in Connecticut – a market that in recent years has delivered to Connecticut consumers ample choices of value-added products and services.

RESA supports with amendment House Bill 5542. Specifically, RESA understands the underlying purpose and aim of this bill – to protect utility customers from the consequences of prolonged electric distribution system outages. The concerns supporting the implementation of such protections are valid and justified, especially in the wake of the event from the October 2011 snowstorm. RESA, however, has identified language in Section 3 of House Bill 5542 that is unclear and, if left unaltered, could impact businesses beyond the scope of the problem this bill seeks to resolve – mainly protections relating to electric distribution system outages.

¹ RESA’s members include: Champion Energy Services, LLC; ConEdison *Solutions*; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Energetix, Inc.; Energy Plus Holdings LLC; Exelon Energy Company; GDF SUEZ Energy Resources NA, Inc.; Green Mountain Energy Company; Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; PPL EnergyPlus, LLC; Reliant; TransCanada Power Marketing Ltd. and TriEagle Energy, L.P.. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

As currently proposed, Section 3(a) prohibits a “public service company, holder of a certificate of a video franchise authority, electric supplier or telecommunications company” from assessing a late fee to any customer who went without electric service for a period of more than 24 hours. Section 3(b) requires this same group of companies to reimburse customers who have experienced a power outage of more than 24 hours through credits for distribution-related services.

Unlike the other groups of companies listed in Section 3, competitive electric suppliers do not control a distribution system nor do they have the means or ability to prevent distribution system outages or restore electric distribution service following an outage. Competitive electric suppliers, like end use consumers, are dependent on the electric distribution system to deliver the electric supply purchased by the supplier on behalf of the customer to the customer’s home or business.

Accordingly, the inclusion of “electric supplier” in Section 3 of House Bill 5542 appears to be inconsistent with the purpose and intent of the bill – protection of utility customers from extended distribution system outages. Application of this bill on electric suppliers will subject them to risks beyond their control, increase regulatory uncertainty and, in turn, cause increased risk premiums and costs for electric supply purchases on behalf of customers.

RESA therefore respectfully recommends amendment of H.B. 5542 to remove the term “electric supplier” from Sections 3(a) and 3(b) to prevent this unintended consequence while maintaining the intent and purpose to protect utility consumers from prolonged distribution system outages and supports this legislation with these amendments.